

Message Text

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ACTION SS-25

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R 071650Z MAR 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 1309
INFO AMEMBASSY LUSAKA
AMEMBASSY MAPUTO
AMEMBASSY PRETORIA
AMEMBASSY DAR ES SALAAM
AMEMBASSY LAGOS
AMCONSUL CAPE TOWN
USMISSION USUN NEW YORK

C O N F I D E N T I A L LONDON 03787

EXDIS

E.O. 11652: GDS
TAGS: PFOR, UK, RH
SUBJECT: RHODESIA: LONRHO VERSUS THE OIL COMPANIES

REF: LONDON 1992 (NOTAL)

CAPETOWN FOR EMBASSY

1. WE HAVE RECEIVED FROM LONRHO CHIEF EXECUTIVE TINY ROWLAND COPIES OF THREE LETTERS HE HAS SENT TO EDMUND DELL, SECRETARY OF STATE FOR TRADE, OUTLINING HIS CHARGES THAT FIVE INTERNATIONAL OIL COMPANIES HAVE CONSPIRED TO BREAK SANCTIONS AGAINST RHODESIA (REFTEL). THE LETTERS ARE PART OF AN ON-GOING WRANGLE BETWEEN LONRHO AND THE DEPARTMENT OF TRADE OVER A RECENT DEPARTMENT INQUIRY INTO THE BUSINESS CONDUCT OF THE COMPANY. ROWLAND ACCUSES THE INSPECTORS OF IRNORING THE SERIOUS DAMAGES CAUSED LONRHO BY ITS ADHERENCE TO UN SANCTIONS AND THE CONFIDENTIAL

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CONSEQUENT CLOSURE OF THE LONRHO-OWNED BEIRA TO FERUKA PIPELINE. BUT FROM THIS STARTING POINT, ROWLAND GOES ON TO INDICATE HIS PLANS TO TAKE LEGAL ACTION AGAINST THE OIL COMPANIES FOR BREACH OF CONTRACT (THEY BYPASSED THE PIPELINE) AND TO SEEK COMPENSATION.

2. THE LETTERS MAKE INTERESTING READING. ROWLAND TIPS

HIS LEGAL HAND ONLY OCCASIONALLY BY REPRODUCING SECRET COMMUNICATIONS FROM FORMER PORTUGUESE COLONIAL AUTHORITIES IN MOZAMBIQUE AND INCLUDING SELECTED CHARTS OF STATISTICS AND FIGURES ON OIL SUPPLIES TO RHODESIA. HE IMPLIES THAT SIMILAR DOCUMENTATION IN LONRHO'S FILES IS EXTENSIVE WITH, FOR EXAMPLE, MONTHLY RECORDS OF OIL DISTRIBUTED TO AND WITHIN RHODESIA BY SHELL, BP, CALTEX, MOBIL, AND TOTAL AND SHOWING THE RAIL WAGON NUMBERS USED IN TRANSPORT. MORE TELLING, ROWLAND CLAIMS HE CAN PROVE THAT APPORTIONMENT OF OIL SUPPLIES AMONG THE COMPANIES CONTINUED IN THE SAME RATIO AFTER SANCTIONS AS BEFORE, WHICH, HE SAYS, INDICATES CRIMINAL COLLUSION AS WELL AS KNOWLEDGE BY THE COMPANIES OF THEIR DIRECT AND CONTINUING VIOLATION OF SANCTIONS. HE STATES HIS CASE BLUNTLY AT THE CONCLUSION OF HIS LAST LETTER: "THE OIL COMPANIES WERE INDIVIDUALLY SUPPLYING RHODESIA, AND IN COLLUSION, IN GOOD TIMES SPLITTING THE MARKET AMONGST THEM WITH GENTA (THE RHODESIAN CENTRAL WHOLESALE) AS A COVER, AND BREAKING OUR EXCLUSIVE CARRIER CONTRACT IN SO DOING."

3. COMMENT: ROWLAND'S MOTIVES REMAIN POLITICAL RATHER THAN ECONOMIC OR LEGAL. ON THE HOME FRONT, HE BELIEVES THAT THE BEST DEFENSE IS A GOOD OFFENSE AND IS ATTEMPTING TO THROW THE TRADE DEPARTMENT'S INVESTIGATION OF LONRHO BACK IN EDMUND DELL'S FACE. ON A BROADER PLANE, HE EXPECTS HIS EXPOSÉ OF THE OIL COMPANIES -- REGARDLESS

OF CONCLUSIVE LEGAL PROOF -- WILL ENHANCE HIS OWN
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STANDING AS DEFENDER OF AFRICAN INTERESTS AND AT THE SAME TIME EMBARRASS WESTERN GOVERNMENTS INTO STRONGER ACTION AGAINST IAN SMITH.

4. WE ARE POUCHING COPIES OF ROWLAND-DELL LETTERS TO ADDRESSEES. ROWLAND GAVE THE LETTERS TO US ON THE UNDERSTANDING THEY WOULD REMAIN WITHIN US GOVERNMENT CIRCLES. HE SAYS HE WILL INITIATE HIS COURT CASES AGAINST THE COMPANIES SHORTLY.

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Message Attributes

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Sent Date: 07-Mar-1977 12:00:00 am
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Disposition Approved on Date:
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